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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers.	Rulemaking 20-08-022

ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING

This Amended Scoping Memo and Ruling (Amended Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1. and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

The Commission has historically authorized regulated, investor-owned utilities (IOUs) to offer financial support to customers adopting energy efficiency and clean energy technologies in compliance with state and federal legislation.[1] In August 2020, the Commission launched the instant proceeding, Rulemaking (R.) 20-08-022, to evaluate the potential efficiencies of providing financing strategies that allow for larger or broader investments in multiple types of clean

[1] A background of the Commission's activities related to clean energy financing was provided as Section 2 of the Order Instituting Rulemaking (OIR) 20-08-022, as issued by the Commission on September 4, 2020. The IOUs referenced throughout this Amended Scoping Memo are Pacific Gas and Electric Company, Southern California Edison Company (SCE), Southern California Gas Company, and San Diego Gas & Electric Company.

energy improvements through a single program.[2] Specifically, this Rulemaking aims to ensure that the financing programs backed by ratepayer funding are targeted to attract investment by third-party partners to increase their efficacy and scope.[3]

Comments and replies on the OIR were filed in September 2020, and a workshop was held on January 28-29, 2021, to further define the procedural scope.[4] Following the workshop, a prehearing conference (PHC) was held on February 5, 2021, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters, as necessary.

On April 1, 2021, the assigned Commissioner issued a Ruling seeking party feedback on the Track 1 issues (Track 1 issues ruling) in this proceeding, related to extension and expansion of the IOUs' existing clean energy financing programs that are administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). Parties filed comments on the Track 1 issues ruling on April 16, 2021 and reply comments on April 30, 2021. The Commission resolved the Track 1 issues in this proceeding through Decision (D.) 21-08-006, which (1) granted a five year extension for the existing financing programs administered by CAEATFA, (2) authorized up to $75.2 million in additional ratepayer funding to support the extended programs,

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[2] R.20-08-022 at 1-2. The Rulemaking was launched during the August 27, 2020 Commission meeting, and the OIR was formally issued on September 4, 2020.

[3] R.20-08-022 at 2.

[4] The presentations from the workshop are available at https://www.cpuc.ca.gov/General.aspx?id=6442467601. The first day's recording can be accessed at http://www.adminmonitor.com/ca/cpuc/workshop/20210128/; the second day's recording is at http://www.adminmonitor.com/ca/cpuc/workshop/20210129/.

and (3) authorized CAEATFA to leverage the technology platform it has established with ratepayer funds to use alternative, non-ratepayer funding resources to offer similar financing options to customers that receive non-IOU gas and/or electric service.

On August 18, 2021, the assigned Administrative Law Judges (ALJs) issued a Ruling waiving the remaining procedural schedule to allow further time for the Assigned Commissioner to offer guidance on Tracks 2 and 3 of this proceeding. This Amended Scoping Memo provides this additional guidance and an updated schedule for the remainder of this proceeding.

2. Clarifying Guidance for the Remainder of This Proceeding

After reviewing the comments filed in response to the OIR, conversation and presentations during the January 28-29, 2021 workshop, discussion during the PHC, and the summary and overview of the current IOU clean energy financing programs provided by SCE on June 21, 2021, we adopt the following requirements and guidance to inform the efficient resolution of this Rulemaking:

1. New financing opportunities should expand the current IOU ratepayer-funded programs' focus beyond energy efficiency and leverage other commercially viable technologies to more broadly address California's economy-wide decarbonization and greenhouse gas reduction goals, resiliency, and offer different program options that meet the needs of various customer types.
2. In seeking additional financing options beyond the IOUs' current energy efficiency Public Purpose Program charge, programs should consider the benefits of attracting third-party investment as well as protecting against the potential for predatory lending and default penalties.
3. New financing programs may or may not result in lower utility bills for participants but should achieve at least one of the state's clean energy goals by resulting in lower

emissions, increasing the adoption of clean energy technologies, and/or reducing the use of fossil fueled energy. Programs shall be designed to ensure that customers are informed enough to determine which clean energy technologies are most beneficial to them, while tracking the cumulative effects of these benefits towards broader state clean energy policy and other ratepayer goals.

4. All new clean energy financing proposals should align with and follow the template provided as Appendix A of this Amended Scoping Ruling. This template is intended to ensure each new program includes metrics and evaluation strategies to ensure the ratepayer-backed financing options are increasing access to low- and moderate-income customers and customers with limited access to conventional financing options.

The remainder of this proceeding shall be dedicated to ensuring that any program proposals have sufficiently considered and addressed the above goals, by allowing for ample opportunity for comment and consideration by the Commission, utilities, stakeholders, and the public. The attached template provides guidance to the utilities and parties as they begin to prepare their financing proposals. The template provides program design and reporting questions to consider that will need to be addressed as we progress through the schedule provided in Section 5 below. The template does not outline all the details that will be necessary to review prior to implementation of new clean energy financing programs. However, it is meant to capture the key policy issues that the Commission will need to consider for each proposal.

The schedule below calls for the IOUs to host a workshop prior to submission of their initial financing proposals. IOUs should collaborate with Energy Division on the agenda and format for this workshop. Additional workshops and community meetings will take place throughout 2022 where the utilities will present and receive feedback on their draft proposals before filing them formally for Commission review. The schedule further allows time for party and public comment on the utilities' proposals after they have been formally submitted. The intent is to provide stakeholders that may not have the means to fully participate in this formal proceeding with opportunities to provide input to the utilities to help ensure the proposals are meeting customers' needs while still addressing the issues identified in Section 3, *infra.* The schedule also provides for time for evidentiary hearing, if requested.

3. Issues

This proceeding was initially scheduled in three tracks, designed to address shorter- and longer-term questions associated with financing policy. In the first track, we addressed near-term issues related to CAEATFA's existing California Hub for Energy Efficiency Financing (CHEEF) programs and their ongoing operational costs through adoption of D.21-08-006.

In this Amended Scoping Memo, we consolidate the second and third tracks to allow adequate time for the development of new financing options and stakeholder feedback before issuing a final decision. The second and third tracks were already intended to be largely conducted concurrently to allow for streamlined and timely consideration of each of the topics defined below. This proceeding must address issues relating to clean energy financing program goals, design, performance metrics, and evaluation. This will likely be an iterative process, as we progress through workshops and the consideration of received proposals.

The attached template (Appendix A) is designed to ensure that each new clean energy financing proposal addresses the following issues:

Topic 1: Programmatic Goals and Coordination

1. What are the benefits and costs of financing strategies that could apply to a suite of behind-the-meter clean energy resources including, but not limited to, energy efficiency, solar and storage, electric vehicle infrastructure, single-customer microgrids, and other distributed energy resources?[5]

2. What baseline or benchmarks should be adopted to measure success of new programs in meeting their established goals and targets?

3. Should separate financing programs be developed for different customer segments, including renters, lessees, and property owners?[6]

4. What should happen if a customer that has enrolled in a financing program moves out of the property it rents or owns before fully repaying the financer? What protections need to be put in place to disclose loan payments to subsequent utility account holders?

5. What parameters, metrics, and requirements should be adopted to allow stacking of different financing tools to support a single customer's energy investment(s) while still ensuring a simple repayment structure?

Topic 2: Marketing, Education, Outreach, and Evaluation

1. Who should be responsible for developing and implementing marketing, education, and outreach (ME&O) and evaluation associated with any new clean energy financing programs? Which ME&O and evaluation costs should be recoverable from IOU ratepayers, and which

[5] Electric vehicle and distributed energy resource infrastructure in this proceeding should be interpreted to include infrastructure to support renewable hydrogen fuel cell technology, in which renewable energy is used to create hydrogen fuel. For customer-owned or managed sites, front-of-the-meter resources could also be considered eligible.

[6] Each customer segment described throughout this Amended Scoping Memo includes both commercial and residential customer classes.

should be recovered from program partners, such as lenders and implementers?

2. What program design and evaluation strategies should be adopted, with special consideration given to ensuring new financing options are reaching specific hard-to-reach and low- and moderate-income communities, technology adoption goals, and financing repayment targets?
3. What metrics, key performance indicators, and/or evaluation strategies best ensure any approved financing offerings align with the nine goals of the Commission's Environmental and Social Justice (ESJ) Action Plan?[7]

Topic 3: Designing Scalable Financing Options

1. Which specific types of customer-side clean energy financing programs or lending mechanisms are most likely to attract third-party vendors and program administrators, and what advantages and disadvantages would these financing programs provide in comparison to programs or lending mechanisms administered by existing administrators, the IOUs, or other implementers?[8]
2. How can on-bill repayment (OBR) mechanisms be leveraged to repay multiple lenders without putting a customer at risk of utility disconnection if they are unable to make loan payments?
3. How can we deploy outreach to ensure consumers considering clean energy financing are aware of their

[7] The nine ESJ Action Plan goals are available on the Commission's website at https://www.cpuc.ca.gov/esjactionplan/.

[8] R.20-08-022, as issued on September 4, 2020, included as Section 1 a list of defined financing mechanisms that will be considered as part of this issue, along with some additional financing options the Commission may also examine based on comments and replies to the OIR. Some potential financing options that were discussed during the January 2021 workshop include interest rate buy-downs or using public funds for co-lending or subordinate debt programs. We note that interest-based financing options are not optimal for targeting low- and moderate-income customers and encourage parties to consider more innovative solutions that specifically address those customers' needs.

rights and the pros and cons of the various available financing options?

4. Which financing and consumer protection mechanisms best protect customers from potential disconnection, interruption of service, loss of lease or mortgage, or liens, in instances of non-payment of utility bills?

5. Should any existing cost effectiveness thresholds apply to new energy financing programs, or should energy financing programs be treated differently from energy efficiency financing programs in terms of their cost effectiveness?

Topic 4: Alignment With Other Programs Already Offered by the IOUs, The California Treasurer's Office, The State's Infrastructure and Economic Development Bank, and Other Local and Regional Clean Energy Financing Options[9]

1. How can new IOU financing programs be designed to address technology gaps for comprehensive customer financing packages and to better leverage existing state, regional, and local clean energy investment programs with both ratepayer and non-ratepayer funds?

2. What metrics or parameters should be included to ensure new financing options directly align with local and regional clean energy targets, including those set by tribal governments?

3. How can we leverage the expertise of sister agencies such as the Department of Financial Protection and Innovation

[9] Beyond CAEATFA's CHEEF programs, the California Treasurer's Office also oversees the California Pollution Control Financing Authority, the California Transportation Financing Authority, the California School Financing Authority, and several other non-energy-focused funding resources. The California Infrastructure and Economic Development Bank provides loans and issues municipal and industrial development bonds to support clean energy projects for a variety of customer segments. California cities, municipal government councils, and air quality management districts also offer a suite of locally focused clean energy financing options, as do the California Energy Commission and the California Air Resources Board.

(DFPI) to both develop and scale new financing options and protect consumers' rights?

Topic 5: Rate Impacts of New Financing Programs

1. What are the comparative potential customer rate impacts of tariffed on-bill finance (TOB), on-bill finance (OBF), and OBR, and other potential financing programs, for both participating and non-participating customers, based on currently authorized utility rate recovery designs?[10]
2. What metrics should be tracked to quantify the potential cost shift between participating and non-participating customers?
3. Should the IOUs be authorized to hire additional full-time staff to better target and engage underserved customers to participate in new financing programs?[11]

4. Need for Evidentiary Hearing

This Commission preliminarily determined in R.20-08-022 that evidentiary hearing will be needed to address contested issues of fact associated with the scope of this proceeding as identified in Section 3 above. We still expect that there may be factual issues that could be informed by evidentiary hearings, though they may not be required. Accordingly, we leave open the possibility

[10] According to the U.S. Department of Energy, "OBF allows the utility to incur the cost of the clean energy upgrade, which is then repaid on the utility bill. [OBR] options require the customer to repay the investment through a charge on their monthly utility bill as well, but with this option, the upfront capital is provided by a third party, not the utility." Either option could include programs financed by third-party institutions. California's existing OBF programs involve loans and create debt for individual customers, which is repaid through the customer's utility bills. If a customer were to move, full repayment would be due before its service contract with the utility ends, even if the upgrade(s) are site-specific. TOB does not involve any loans and the upgrade cost(s) are paid back to ratepayers through a monthly bill charge that is tied to the utility meter, rather than the individual customer.

[11] Underserved customers could include low- or moderate-income residential customers, small businesses, customers with low or no credit scores, and other residential or commercial customers located in disadvantaged communities that may be specifically targeted by new utility supported financing programs.

that evidentiary hearing may be needed, and will schedule evidentiary hearings, as necessary or requested, during the course of the proceeding.

5. Schedule

The following revised schedule is adopted here and may be modified by the assigned Commissioner and/or ALJs as required to promote the efficient and fair resolution of the Rulemaking:

Event	Date
Amended Scoping Memo and revised schedule for new financing proposals, metrics, and evaluation strategies	November 2021
Workshop(s) to receive public feedback to utilities' initial high-level proposals addressing template	Q1 2022
Proposals for clean energy financing programs filed and served by IOUs and other parties	April 15, 2022
IOU-hosted community meetings on proposed clean energy financing options	May 2022
Revisions to IOU proposals and IOU reports on community meeting feedback due	June 15, 2022
Workshop(s) discussing metrics, reporting, and evaluation requirements	Q2 2022
Workshop(s) for discussion of outstanding issues related to clean energy financing program proposals, if needed	Q3 2022
Opening comments on IOU and party clean energy financing proposals due	June 29, 2022
Deadline for parties to request evidentiary hearing	June 29, 2022
Reply comments on IOU and party clean energy financing proposals due	July 11, 2022
Proposed decision	September 2022
Commission decision	30 days after issuance of PD

The IOUs are directed to coordinate with Energy Division staff, the Commission's Consumer Affairs Branch, and the Commission's News and Outreach Office to host at least two community workshops in the schedule above. First, in the first quarter of 2022, a workshop will present the IOUs' preliminary clean energy financing program proposals and gather community feedback on the IOUs' high-level concepts. The IOUs should ensure they provide information about their preliminary proposals to be circulated to parties and posted publicly on the Commission's Energy Division workshop at least one week prior to the workshop.

Second, in May 2022, the IOUs shall each offer at least one workshop to discuss the clean financing program proposals filed on April 15, 2022. The IOUs should provide a publicly available document in advance of the workshop(s) that summarizes the proposals as formally submitted on or before April 15, 2022 as well as financing programs proposed in the February 15, 2022 energy efficiency business plans, if any.

The May 2022 workshops should, at a minimum:

1. Provide summaries of the proposals and discuss any IOU financing programs included in the February 15, 2022 energy efficiency business plans to the broader public;
2. Be held in a format accessible to all customers that may choose to participate in the proposed program(s); and
3. Seek feedback from entities that are not able to formally contribute to the Rulemaking as a party, including local community-based organizations, local governments, and tribal organizations and governments.

Further, the May 2022 workshops should include an opportunity for participants to provide feedback on the proposed key performance indicators and ME&O efforts included in the IOUs' new clean energy financing proposals.[12]

The IOUs shall each hold at least one workshop in May 2022 as described above and shall also participate in any additional workshop(s) held by Energy Division staff to seek further party feedback and discussion. An additional workshop to develop consistent metrics, reporting requirements, and evaluation strategies for each of the proposed clean energy financing programs will be held in the second quarter of 2022.

The organization of prepared testimony, comments, and briefs must correlate to the issues identified in this Amended Scoping Memo or other rulings directly seeking specific input from parties to this proceeding. The financing proposals shall align with the template attached to this Amended Scoping Memo.

Under this amended schedule, this proceeding will stand submitted upon the filing of reply comments on July 11, 2022, unless the ALJs or the assigned Commissioner require further evidence or argument. Based on this schedule, the proceeding may not be resolved within 24 months as prescribed by the OIR issued in September 2020. With this Amended Scoping Memo, we extend the statutory deadline for this proceeding to March 31, 2023, to allow time for the successful development and evaluation of the proposed new or expanded clean

[12] The proposed key performance indicators should wholly include those listed in Appendix A of this Amended Scoping Memo but could be more extensive if necessary. Each IOU should ensure its marketing, education, and outreach efforts are clearly described for each proposed clean energy financing program to allow for full discussion at the workshop(s) it hosts.

energy financing mechanisms that address the issues set forth in Section 2 above and align with the template provided as Appendix A.

6. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At any party's request, the assigned ALJs can refer all or part of this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.[13]

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

7. Category of Proceeding and *Ex Parte* Restrictions

The Commission preliminarily determined that this is a quasi-legislative proceeding.[14] Upon review of party comments and discussion at the workshop and the PHC, I changed the category of this proceeding in the Scoping Memo issued on April 1, 2021. Many of the clean financing options proposed in party comments to the proceeding, and discussed during the workshop, would require the utilities to develop new tariffs or would require the Commission to identify

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[13] *See* D.07-05-062, Appendix A, § IV.O.

[14] OIR at 35.

new funding sources for incremental financing programs. As such, the category for this proceeding shall remain ratesetting. *Ex parte* communications are permitted, but with restrictions and reporting requirements, pursuant to Article 8 of the Rules.

8. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website.[15]

In addition, the Commission served the OIR on all related service lists and invited parties to each of the following service lists to participate in the January 28-29, 2021, workshop:

Proceeding Topic	Proceeding Number
Energy Efficiency	R.13-11-005
Demand Response	R.13-09-011 and Application (A.) 17-01-012 *et al.*
Net Energy Metering	R.14-07-002
Evaluation of Integrated Distributed Energy Resource Programs	R.14-10-003
Distribution Resources Plans	R.14-08-013
California Solar Initiative and Distributed Generation	R.12-11-005 R.20-05-012
Renewables Portfolio Standard Program	R.18-07-003 and R.15-02-020
Energy Storage	A.20-03-002 *et al.*
Transportation Electrification	R.18-12-006
Electric Program Investment Charge (EPIC) Research and Development	R.19-10-005
Energy Savings Assistance Programs	A.19-11-003 *et al*. and A.20-05-014 *et al.*

[15] Working for California September 2020 Newsletter at 9.

Microgrids and Resiliency	R.19-09-009
Building Decarbonization	R.19-01-011

In the interest of broad notice, the OIR was also served on the following state and local agencies: CAEATFA; the California Energy Commission; the California Air Resources Board; and the California Department of Business Oversight. These same agencies are coordinating and collaborating with Commission staff throughout this proceeding and will receive a courtesy copy of this Amended Scoping Memo.

9. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation was required to file and serve a notice of intent to claim compensation by March 8, 2021, 30 days after this proceeding's PHC. Given the adjusted scope of issues adopted in Section 3 above, parties that have not yet filed and served a notice of intent to claim compensation may do so within 30 days of the issuance of the Amended Scoping Memo.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at http://consumers.cpuc.ca.gov/pao/ or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJs. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Although Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, parties are directed to only serve ALJs Toy and Sisto electronically in this proceeding.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

13. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Carolyn Sisto and Garrett Toy are the assigned ALJs and presiding officers for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is modified as described in Section 3 above and is adopted.

2. The schedule of this proceeding is amended as set forth in Section 5 and is adopted. The statutory deadline is extended to March 31, 2023, and the assigned Commissioner and/or Administrative Law Judges may adjust the schedule of this proceeding, as needed, to promote efficient management of the case.

3. Evidentiary hearing may be needed. No later than June 29, 2022, parties may request evidentiary hearing on contested issues, as appropriate.

4. The category of the proceeding is ratesetting.

5. In the first quarter of 2022, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall work with the Commission's Energy Division, Consumer Affairs Branch, and News and Outreach Office to host at least one workshop about the utilities' high-level clean energy financing program proposals.

6. No later than April 15, 2022, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall each file proposals for new and/or expanded clean energy financing options that align with the guidance provided in Section 3 above. Other parties to this proceeding are also authorized to propose new or expanded clean financing programs.

7. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, San Diego Gas & Electric Company, and any other parties shall use the template included as Appendix A to this Amended

Scoping Memo as guidance when filing the new and/or expanded clean financing options proposed on or before April 15, 2022.

8. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall each host community meetings within their service territories during May 2022, in coordination with Commission staff, to ensure customers and local community-based organizations have an opportunity to review and provide feedback on the tariffed on-bill financing, on-bill financing, on-bill repayment, and any other clean energy financing options being considered through this Rulemaking.

9. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall participate in any additional workshops scheduled by Energy Division in this rulemaking.

This order is effective today.

Dated November 19, 2021, at San Francisco, California.

/s/ GENEVIEVE SHIROMA
Genevieve Shiroma
Assigned Commissioner

Appendix A

Clean Energy Financing Program Proposal Template

Clean Energy Financing Program Proposal Template

CPUC Proceeding R.20-08-022

All Clean Energy Financing proposals should provide the following information, in the order and format described below. For any question that does not apply to the proposed program design, please explain why the question does not apply to the proposal. Each proposal should include a narrative description of the program and each party should be prepared to provide supporting documents, such as budget workpapers or feasibility studies, and implementation plans that support your proposal if and when asked by the CPUC before relevant decision is issued or as the decision may mandate.

PART I: Overall goals and principles

1. Describe what this program is seeking to achieve, including which market barrier(s) is being addressed through the program.
2. Provide a description of the proposed financing program, including a description of the expected benefits and costs of the program.
3. Describe with specificity how this proposal meets each of the nine goals of the CPUC's Environmental and Social Justice Action (ESJ) Plan. If it is unable to meet any of the nine goals, the proposal must explain why.

PART II: Financing program requirements

Financial product description and program development

1. Describe the financing mechanism and/or proposed financial product offered through the program.
2. Is there any precedent for a program of this type, and if so, what are the lessons learned from previous and similar programs? Please include any applicable program results from those other programs, such as forecast and actual participation by targeted customer group and describe, to the extent possible.
3. For tariffed on-bill programs, please include draft tariff language. Also, provide a discussion of:
    a. The expected payment prioritization of the on-bill charge that discusses any potential legal, regulatory, and customer protection mechanisms included.
    b. Whether the program will be implemented through modifications to an existing or a new tariff offering, and the anticipated costs associated with implementing the updated or new tariff.
4. Describe if and how this program will attract private capital in entirety or in addition to using public funds.

a. If so, what portion of the program would be covered by private capital when the program launches?
b. Does the program intend to ultimately transition to 100% private capital at a specific milestone? Why or why not?

Customer protections

1. What are the potential financial, economic or other risks to the participating customer in this program and what customer protections does this proposal provide to mitigate customer/participant risk?
    a. Describe any penalties that may be imposed if the customer does not repay the loan (such as credit reporting, asset forfeiture, utility disconnection).
    b. Describe any non-financial terms and conditions customers must satisfy to stay in compliance with the program.
2. What processes will be included to ensure that customers understand and can shoulder the full financial burden of participating in this proposed financing program?
3. How will the repayment obligation transfer if the participating customer vacates a property they lease or own? How will repayment obligations be communicated to any new tenants or owners?
4. Describe the customer outreach component of the program. Will community-based organizations or groups support and facilitate customer outreach to ensure all participating customers are appropriately made aware of their obligations, and if so, how?

<u>PART III: Program design and delivery details</u>

What sector(s) will this program target (i.e., residential (Single Family/Multifamily), commercial, industrial, agricultural, public, disadvantaged, and hard-to-reach)?

1. How does the program propose to determine customer eligibility?
    a. What are the credit score ranges used to determine customer eligibility?
    b. What criteria in addition to or in lieu of credit scores will be used to determine eligibility (such as bill payment history)?
    c. How will the program measure ability to repay loans?
        i. What are the debt-to-income ratios used to determine customer eligibility?
        ii. What are the estimated customer energy savings (IOU and Non-IOU) used to determine customer eligibility?
        iii. How will energy savings be calculated and tracked? (IOU and non-IOU fuels).

2. How are the criteria described in Question 1 of this section prioritized to determine customer eligibility?

1. Which clean energy technologies or distributed energy resources will be supported by the program? If the program focuses on a limited or specific type of technology or technologies, explain why that specific type of technology or technologies should be prioritized for a new clean energy financing program.
2. How will IOU or non-IOU program incentives be delivered to customers? How will program incentives be coordinated with existing incentives offered through other clean energy financing programs?

<u>Part IV: Costs and Benefits</u>

1. What is the estimated budget for this program, broken down by estimated percentage and amount of rate-payer funds (including funding category, such as public purpose charge, distribution rates, generation rates), private capital, state, federal funds (e.g., DOE), IOU shareholder, public or private bonds, or other sources?
2. What are the forecasted benefits, energy and/or GHG savings, if any, from this program at the sector, customer type (SF, MF, DAC, HTR, etc.), and measure/technology/project levels?
3. What number of loans is this program expected to support?
4. How many years will the program run?

<u>PART IV: Reporting and metrics</u>

1. Describe the key performance indicators (KPI) that will be developed for the program in order to determine:
    a. whether the program is successful in delivering benefits and addressing specific market barriers.
    b. Whether the program aligns with local and regional clean energy goals.
    c. whether/when the program needs to be reconfigured or closed.
    d. any other KPI.
2. Describe the proposed schedule and process for tracking and evaluating these KPIs.

(END OF APPENDIX A)